

The Gravity Law of Marketing – a Major Reason for Change to a Better Performance

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Abstract. *Companies develop marketing strategies only for success. But, sooner or later, even the most successful strategies begin to wear out and lose their impact on the performances of the company. The mutual attraction between the marketing strategy and the performance of the company is known as the law of marketing gravity. Once a marketing strategy loses impact on the marketing performance as a result of the law of marketing gravity a fundamental change is needed. This change must be made according to a new marketing thinking during a cyclic process for development of the new marketing strategy.*

This paper is aiming to point out that companies must recognize the limited viability of their marketing strategies, identify the causes of the strategic wear out and implications of the law of the marketing gravity. All these should be a solid ground for marketing strategic change which must be included in the general plans of change of the company and implemented with the particular tools of the strategic management of change.

Keywords: law of marketing gravity; strategic drift/wear-out; strategic opportunism; strategic change; cycle of change.

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1. Introduction: the traditional strategic thinking about the marketing strategies

The traditional strategic thinking settles that the strategy indicates the direction for a future period of time and establishes the relationship between the objective and the steps needed in achieving it as they are included in an action plan (Uhe, 2002, p. 30, Danciu, 2005, p. 21, Florescu, Malcomete, Pop (coord.), 2003, p. 669). No matter the nature of the strategy – economic, management, marketing strategy – it has a large scope and a long-term as main characteristics.

The classic strategic thinking has as a leitmotif that no tactics is better than a good strategy. In other words, a well substantiated and developed strategy is needed because it marks out all the following steps and performances in the temporal horizon as it is established by its objective. A good strategy is also needed because it has a very small flexibility. This means that its content should be observed for the achievement of the strategic objective aimed at. These are essential requirements particularly for a good process of developing and implementing a strategy. In order to facilitate the success of the marketing strategy this process should take into account the following (Danciu, 2005, p. 25):

- The mission and goal of the company as a whole should be clearly known.
- The present and potential markets and the market segments of the company should be clearly established and analyzed.
- The probable changes of the resources of the company, the markets and consumers should be anticipated.
- The change of the strategic objective and even of the strategy should be taken into account.

Any marketing strategy should be developed and implemented only within the economic, social and temporal conditions in which the company is acting in the market (Danciu, Grigorescu, 2000, p. 113). A good marketing strategy should have some generic qualities which are essential for its success such as internal consistency and synergy, convergence with the external environment and feasibility within the resources of the company (Mc Donald, Wilson, 2002, p. 76). A good marketing strategy minimizes conflict and contradictions and maximizes synergies between the different elements of the marketing mix. At the same time, a good marketing strategy recognizes the implications of the external environment and aligns the resources of the company toward those implications. The available or accessible resources of

the company should facilitate the implementation of any good strategy without contradicting its goals or breaching the acceptable boundaries of the risk.

Since any strategy is a long-term one, it is implemented in a different context than the one it has initially been elaborated. There are many reasons for changing the marketing strategy, more or less because the change in the internal and external conditions. In such cases, some questions arise: What happens when the strategy is no more attractive. What happens if the company realizes that a strategic drift or wear-out is occurring and still maintains the strategy?

2. The strategic wear-out – a trend which should not be ignored

The development and implementation of a marketing strategy should find a solution for one of the three approaches: strategic commitment, strategic opportunism and strategic adaptation (Aaker, 2008, p. 128).

The strategic opportunism is driven by a focus on the present. The priority of this approach is the detection and capture of the opportunities when they emerge with a goal of achieving immediate profits. When short-term successes flow, the long-term will take care of it as at least some of these short-term winners will grow to major business and the rest will not be a burden.

One key to success in strategic opportunism in marketing is an entrepreneurial culture and willingness to respond quickly to opportunities as they emerge. The marketing people should be entrepreneurial, sensitive to new opportunities and threats, and fast to react. Another key is to be close to the market. The management team needs to talk to customers and others about the changing customers' tastes, attitudes and needs. The company should be quick to understand and act on changing fundamentals.

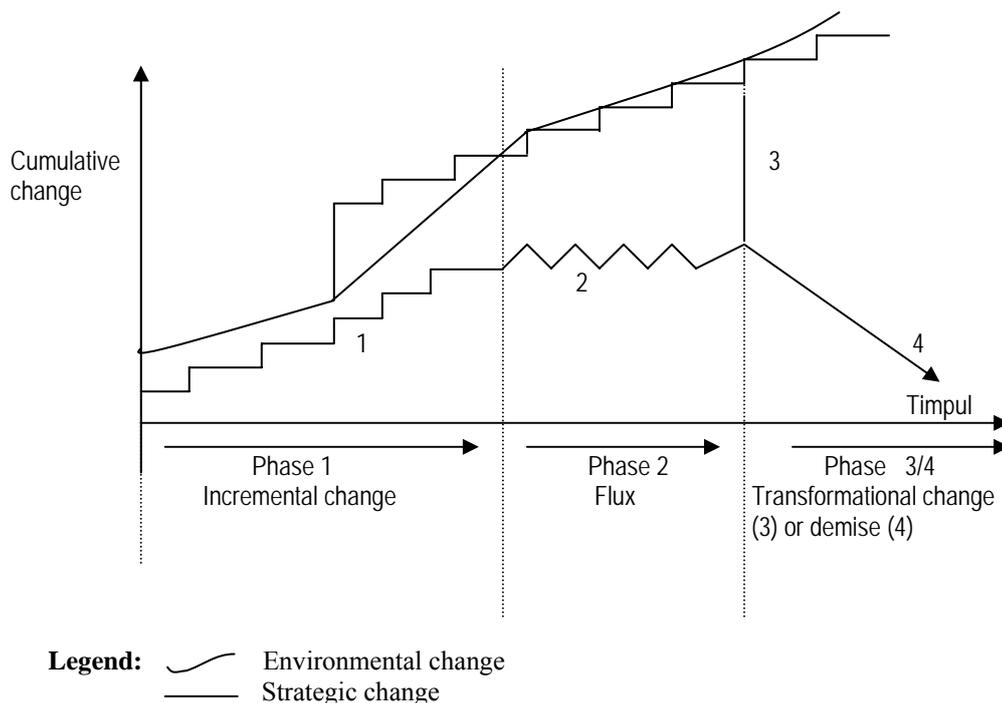
Such a strategic philosophy may facilitate a strategic drift or wear-out and lose its impact sooner as any other strategic approach. The strategic drift appears where the strategy progressively fails to address the strategic position of the company and performance deteriorates (Johnson, Scholes, Whittington, 2005, p. 27).

Even if any marketing strategy is developed only for success, every strategy could at one moment in time lose its attractiveness for the company. Such a phenomenon is due to the lack of sensitivity and self-sufficiency. Historical studies of patterns of strategy development and change of companies have shown that companies typically go through a long periods of relative continuity during which established strategy remains largely unchanged.

Especially in the case of strategic opportunism this process tends to create a strategic drift or strategic wear-out.

At least three phenomena can turn strategic opportunism into strategic drift (Aaker, 2008, p.131). First, a short-lived, transitory force may be mistaken for one with enough staying power to make a strategic move worthwhile. The result will be a marketing strategy that is not suitable for the company or the environment. Second, opportunities to create immediate profits may be rationalized as strategic, when, in fact, they are not. Third, expected synergies across existing and new business areas may fail to materialize due to implementation problems, perhaps because of culture clashes or because the synergies were only illusions in the first place. As a result, new business areas would be in place without the expected sustainable advantages.

The whole pattern of strategic wear-out compared to the environmental change could be analyzed using the information from Figure 1, as it was drawn by Johnson, Scholes and Whittington (2005, p. 27).



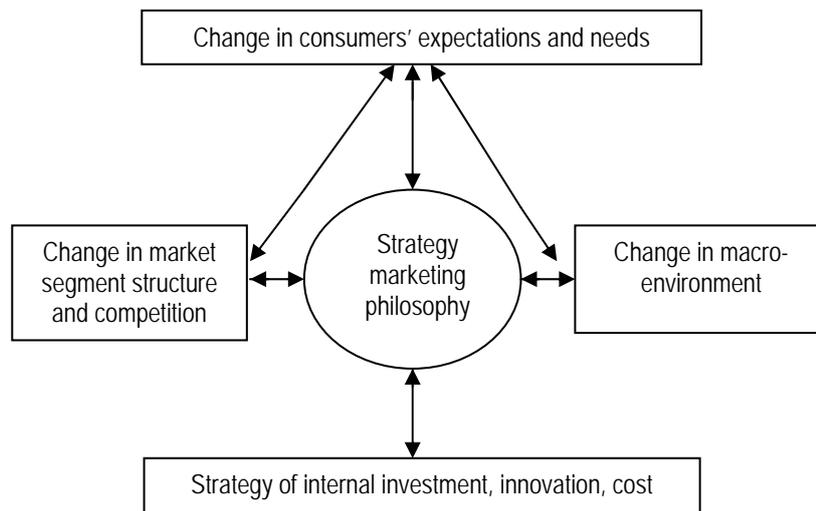
Source: Johnson, Scholes, Whittington, 2005, p. 27.

Figure 1. *The risk of strategic wear-out*

The strategy may be viewed as having a life cycle which begins with strategy launching, continues with the increase stage when the success is established, followed by maturity when successes are consolidated. At the end of maturity stage the signs of wear-out begin to show. If the strategy is maintained despite the wear-out the process of strategic decline and failure is accelerating as a result of the lack of strategic flexibility and review in order both to anticipate and meet environmental challenges due to cumulative change.

3. The law of marketing gravity, the law of marketing strategic wear-out

The dictionaries define gravity as the degree of intensity with which one body is affected by the attraction exercised by another body (The Concise Oxford Dictionary, 1964, p. 538; Nouveau Petit Larousse, 1968, p. 483). In a similar way, a kind of attraction is established between the marketing strategy and the performance of the company. This mutual attraction depends on the degree of intensity of the gravitation forces. Sooner or later the intensity diminishes and the impact of the marketing strategy on the results of the company is reduced too. The causes that are contributing to the strategic wear-out and the decreasing effects of the strategy are environmental changes and internal factors, as in Figure 2. Any such motive could cause a strategic drift of the marketing strategy in every phase of the life cycle of this strategy.



Source: Author's design.

Figure 2. Factors of the strategic wear-out

Among the important factors which could cause the strategic wear-out are changes in the consumers' expectations, marketing structure, competitors' stance, economic, legislative, ecological and technical changes, changes of the distribution and the suppliers, lack of internal investment and innovation, poor control of the costs of the company and the tired and uncertain managerial and marketing approach (Johnson, Scholes, Whittington, 2005, p. 475). All these factors and many other ones explain why any marketing strategy could fail. The law of marketing gravity states that regardless of how big or powerful a company becomes sooner or later its performances will almost inevitably decline (Wilson, Gilligan, 2005, p.475). This pattern is appropriate for the successful companies which often prove reluctant to change what is seen as a winning strategy, no matter what changes occur; even if recognize the regular review of the marketing strategy. A company that is highly resistant to change will exhibit characteristics such as the following: large, established, centralized, hierarchic management structures, vertical information systems, undifferentiated product lines and immobile workforce.

4. The strategic change as the best solution to effective gain from the law of marketing gravity

Facing the dramatically environmental changes the marketing managers can take one of the following approaches: to try to predict the nature of the changes and then manage them proactively, to respond quickly or slowly but largely reactively, or to ignore what is happening and accept the consequences of strategic drift or wear-out.

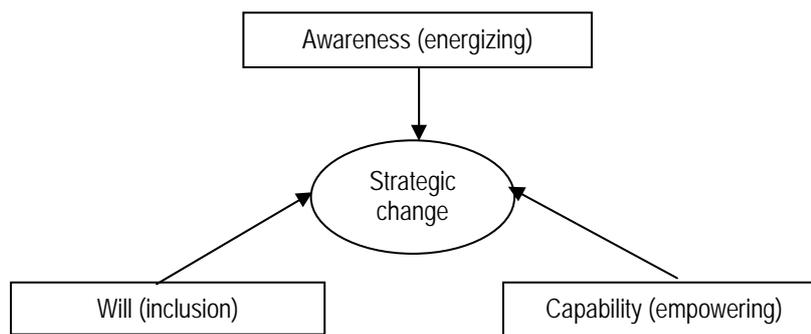
Incremental strategic change is a natural outcome of the influence of the organizational culture, individual and collective experience, political processes and prior decisions. If changes in the environment of the company are at a grater rate than the rate of incremental strategic change the company will get out of line of its environment. Such a company may become merely reactive to its environment and fail to question or challenge what is happening around it or to innovate or to create new opportunities.

Once a marketing strategy loses its impact the company's management typically needs to make a series of fundamental changes to recapture its lost position. These changes should introduce a strategic shift, which must firstly relay on a new orientation. The direction of the strategic vision must change from focusing on the short-term situation toward the focus on the future direction which shows where the company wants to go and how it is going to

get there (Bradley, 1997, p. 103). If the company fails to do this, then levels of loyalty of customers rapidly disappear and the market share begins to slide. Worse, the company runs the risk of competitive oblivion. Thus the need of focus upon marketing strategies that create unique value for customers and its review according to the nature of environment change becomes self evident. The starting point involves getting off the treadmill of day-to-day activities and moving away from existing patterns of marketing thinking. This approach needs to be an emphasis upon a series of steps (Wilson, Collins, 2005, p. 473):

- Competing for the industry foresight by identifying how the market will or can be encouraged to develop; in other words “seeing the future before it arrives”.
- Crafting the strategic marketing architecture or blue print for developing the marketing skills and structures that will be needed in order to compete in the new environment.
- Stretching and leveraging the marketing strategy so that the resources of the company are focused, developed and exploited to the full.

The marketing change could come as a result of a process during which a new marketing strategy is made and implemented. This process known as the cycle of change has three essential characteristics and each of them includes many detailed ingredients, programs and elements to make it up. These strategic marketing characteristics are necessary conditions for effective change as Figure 3 shows:



Source: Inspired from Carnall, 1995, p.171.

Figure 3. *The necessary conditions for effective change*

Awareness (I understand, I know) outlines as key conditions:

- How thoroughly does every one affected understand the needs of customers, objectives, strategy and timetable, resources required and new behaviors techniques, systems etc.?
- How systematic a process has been instituted for tracking the strategy implementation and for making corrections whilst change is in progress?

Capability (I can, I can cope) outlines as key issues:

- How completely have been identified and provided the resources required including financial resources, skills and time?

Will (I choose, I value, I will) depends on the answer of the company at the following questions:

- How strong is the commitment of relevant marketing managers and employees to implement the change including how credible do they view the change as being, to what extent do they “own” the approach, how can commitment be sustained?
- How consistent and credible is the climate of accountability for the implementation period including to what extent will those involved live up to their commitments?
- What are the consequences of failure, will reward systems differentiate between success and failure and how visible and consistent is leadership behavior?

The process of the marketing change depends on the extent to which these conditions are fulfilled. The process has three steps as follows (Carnall, 1995, p. 172):

Beginning. At this step the problems are recognized, awareness-raising begins, strategic analyses are undertaken, feasibility studies are begun and so on. This begins to create a new perception of achievable marketing performance in what may be rapidly changing markets, customers, technologies etc.

Focusing is the stage when effort at building awareness continues, but also managers are moving toward decisions and action. New directions of attacking markets, new product policy and various competitive strategies may be strategic marketing decisions.

Inclusion. At this stage the focus of strategic marketing change broadens. A particular strategy is created and implemented for each component of the marketing mix. All these strategic components are included in an overall strategic marketing plan.

The change is the winning alternative to the impact of losing attraction between the marketing strategy and the marketing performance due to the environmental change. The weaker the marketing gravity, the stronger the need of strategic change. Authors (Johnson, Scholes, Whittington, 2005, p. 506) and managers are convinced that it is beneficial for the nature of change to be incremental. In this way it will build on the skills, routines and believes of those in the company and on the company's present resources so that the change is efficient and likely to win their commitment. But it may appear a "big bang" kind of change which needs a faster direction and pace, especially if the company is facing crises or needs to change marketing direction very fast. Each situation needs a particular kind of strategic change depending on the nature and scope of the change for an appropriate change of the marketing strategy as Table 1 shows.

Table 1

Types of marketing strategic change			
		Scope of change	
		Realignment	Transformation
Nature of change	Incremental	Adaptation of the marketing strategy	Evolution of the marketing strategy
	Big bang	Reconstruction of the marketing strategy	Revolution of the marketing strategy

Source: Adapted by the author according to Johnson, Scholes and Whittington, 2005, p. 506.

In period of crises we believe that a big bang approach to change occurs, that is the company should reconstruct or/and make a strategic revolution. When the nature of change is incremental the strategic marketing change may be soft, having as a support the adaptation or better the evolution as way for transformation.

The revolution is the change that requires a rapid and major strategic and marketing paradigm changes. This could be in circumstances where the marketing strategy has been so bounded by the existing marketing paradigm and established ways of doing marketing in the company that even when environmental or competitive pressures might requires fundamental changes the company has failed to respond. A quick marketing innovation as an innovating strategy about new product could do the job in such circumstances.

The reconstruction is the type of strategic change which may be rapid and could involve a good deal of upheaval in the marketing of the company but which does not fundamentally change the paradigm. It could be a turnaround

situation where there is need for major structural changes of the marketing mix or a major cost-cutting program to deal with a decline in market performance or difficult or changing market conditions.

The evolution is a strategic change that requires marketing paradigm change, but over time. This is a more reactive strategic change; even the marketing management may be in a position of planned change, with time to achieve it or may continually adjusting the strategies as the company's environment changes.

The adaptation is the alternative of change which can be accommodated with the current paradigm and occur incrementally (Nickols, 2008, p. 7). It is the most common form of reactive change in companies. A well-adapted company must show sustained legitimacy, effectiveness and efficiency overtime (Chakrawarthy, Lorange, 1991, p. 302). Legitimacy describes a company's right to persist with its chosen mode of operations that is externally legitimacy and the degree of commitment its members have to each mission and strategies (internal legitimacy). Effectiveness is a measure of the growth opportunities that are available to a company in its chosen market niches. Efficiency refers to the amount of surplus contributions that a company is able to generate through its chosen strategies, over the inducement that it has to provide its stakeholders for implementing those strategies.

Every type of strategic marketing change meets the needs of avoiding strategic drift or wear-out only if it is made in a congruent approach with the nature, scope and pace of the environmental change. A proactive change of the marketing strategy will permit a better avoidance of the risk of strategic wear-out.

Conclusions

Any marketing strategy is developed only for success but even the most successful strategies will at one moment in time begin wear out and lose impact. This phenomenon is known as strategic drift or wear-out. It makes strategy progressively fail to maintain the company's performance. In other words, a mutual attraction between the marketing strategy and the performance of the company is established and its intensity describes the law of marketing gravity. Due to the change in various external and internal factors a marketing strategic wear-out could appear, that is the intensity of attraction between strategy and marketing performance is progressively weakening. This pattern is appropriate for the successful companies reluctant to change, especially for

those which are oriented toward a strategic opportunism which is based on incrementally made strategic decisions in response to market opportunities.

Once a marketing strategy loses its impact, a fundamental change to recapture the lost position is needed in order to avoid the risk of lowering the loyalty of customers and of competitive oblivion. The starting point of such a change involves a new marketing thinking. This new marketing paradigm of change suggests a cycle of change, which is a result of a specific process during which a new marketing strategy is made. The strategic cyclic change should have as strong support at least three conditions that are awareness, capability and will and three essential steps, which are beginning, focusing and inclusion. The intensity and impact of such a change on the revitalization of company's performance depends on the marketing gravity. The weaker the marketing gravity the stronger the strategic change. The marketing strategic change could be incremental or as a big bang approach. Every type of strategic marketing change meets the needs of avoiding the strategic drift or wear-out only if it is made in a congruent approach with the nature, scope and pace of the environmental change.

The pace of strategic wear-out and degree of weakness of the marketing gravity throughout the life cycle of the marketing strategy calls for a particular kind of strategic change. If the change is incremental by its nature the company could chose between adaptation and evolution. These are soft changes, which are directed toward strategic corrections depending on the impact of changes of the various factors on strategic wear-out. In the case of a big bang type of change the scope of strategic change shows reconstruction and revolution as change of the marketing strategy. The most potential benefic changes remain those of big bang in nature and reconstruction in scope.

The above analysis indicates that companies must be open to change. They should avoid the contributors to the marketing gravity law and act on a solid ground of strategic management of change.

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